

Federal Court



Cour fédérale

Date: 20150824

Docket: T-2105-13

Montréal, Quebec, August 24 2015

PRESENT: Prothonotary Richard Morneau

BETWEEN:

**BARD PERIPHERAL VASCULAR, INC.
AND
BARD CANADA INC.**

**Plaintiffs/
Defendants by counterclaim**

and

**W.L. GORE & ASSOCIATES, INC.
AND
W.L. GORE & ASSOCIATES CANADA INC.**

**Defendants/
Plaintiffs by counterclaim**

ORDER

[1] The Court is seized with a motion by each party to compel answers to questions objected to and arising from the first round of examination for discovery of each party's representative.

[2] These motions take place in the context of an action brought by the plaintiffs and defendants by counterclaim Bard Peripheral Vascular, Inc. [BPV] and Bard Canada Inc. [Bard Canada], [and collectively Bard] against the defendants and plaintiffs by counterclaim W.L. Gore & Associates, Inc. [Gore US] and W.L. Gore & Associates Canada Inc. [Gore Canada], [and collectively Gore].

[3] BPV was incorporated in 1974 as IMPRA and it is on May 5, 2003 that it took the name of BPV. BPV and Bard Canada, the latter being a licensee under the patent in suit, are wholly owned subsidiaries of C.R. Bard Inc.

[4] In the instant action, Bard, as owner and assignee of Canadian patent No 1,341,519 [the '519 patent] entitled "Prosthetic Vascular Graft", claims that 12 broad families of Gore products infringed said patent.

[5] In return, Gore denies this infringement and alleges that the '519 patent is invalid on several grounds including lack of utility, insufficient disclosure, overbreadth and co-inventorship.

[6] The '519 patent issued on January 2, 2007 to the named inventor, Dr. David Goldfarb, from a Canadian application no 218,025 filed on January 16, 1975 which claimed priority based on US application no 517,415 filed by Dr. Goldfarb on October 24, 1974.

[7] The latter Canadian application was put into conflict by the Canadian Patent Office in 1980 as against application no 222,517 filed in Canada by Gore US in order to determine the issue of inventorship.

[8] In 2000, the conflict proceeding ended up in Federal Court of Canada before Justice Lemieux. In a decision released on February 9, 2001, in *Goldfarb v W.L. Gore & Associates, Inc.*, 2001 FCT 45[the Conflict decision], affirmed in appeal at 2002 FCA 486, Justice Lemieux ruled that Dr. Goldfarb, over a Peter Cooper, an employee of Gore US who had assigned his rights to Gore US, was the first inventor.

[9] One must note also that the subject matter in suit saw some litigation in the US. In that regard, US application no 517,415 filed by Dr. Goldfarb on October 24, 1974 was put in an interference proceeding, possibly in 1983, as against an application filed by Gore US. After years of litigation, US patent 6,436,135 was issued to Dr. Goldfarb on August 20, 2002.

[10] All this to say, and as indicated by Bard in its written representations dated July 27, 2015 in response to the Gore's motion:

6. The parties to this case are not strangers to each other nor to the technology and patent in suit.

[...]

11. In total, the matter has been prosecuted and litigated for more than four decades in Canada and in the United States. Over the years, the parties and the relevant witnesses in this case, including Dr. Goldfarb, have testified in open court numerous times and have been cross-examined by counsel for both parties.

[11] The '519 patent involves vascular graft technology and relates to prosthetic devices or structures made of expanded teflon (known as ePTFE).

[12] More particularly, and although Gore stresses that the '519 patent must not be considered to be limited to prosthetic vascular devices, said devices are artificial devices put into place to replace or bypass natural blood vessels. Two of the most important properties disclosed in the '519 patent would be internodal distance (sometimes referred to as fibrils length) and wall thickness.

[13] According to the patent in suit, and as summarized by Gore in its written representations dated June 29, 2015:

26. ePTFE has a microstructure consisting of nodes connected by thin fibrils. Internodal distance is the distance between the nodes and is important for permitting and controlling tissue ingrowth. The internodal distance must be large enough to allow transmural migration of cells but small enough to inhibit both transmural blood flow and excessive tissue ingrowth.

[...]

28. wall thickness must be small enough to provide proper mechanical conformity to adjacent cardiovascular structures and large enough, when taken in conjunction with internodal distance, to prevent leakage and excess tissue ingrowth, to allow free and uniform transmural nutrient flow, and to assure mechanical strength and ease of implantation.

[14] As the Court understands, and as alluded to indirectly just above, the improvement, benefit or problem to solve behind the '519 patent would be to bring:

... a homogenously porous vascular prosthesis characterized by small nodes interconnected by extremely fine fibrils to form an open superstructure which will allow uniform, controlled

transmural cellular ingrowth and thereby assure the establishment and maintenance of a thin, viable neointima as well as firm structural integration of the graft into the body.

[15] For the purpose of its ruling in the Conflict decision, Justice Lemieux described, at paragraph 121 therein, the invention at suit as follows:

The invention, an appropriate range of fibril length in the material, is what made the ePTFE tubing useful for such purpose. The essential feature of the invention is the distance between the nodes (or the length of the fibres connecting them) which forms part of the internal structure of the ePTFE tubing.

[16] The discovery of Bard representative, Mr. Scott Randall, was conducted from March 30 to April 1, 2015, whereas the same exercise pertaining to Gore representative, Dr. Michael J. Vonesh, was conducted from April 13 to April 17, 2015. As agreed between counsels, both exercises were followed by written questions.

I. Questions to answer and records to produce on an examination for discovery: applicable general principles

[17] In *Reading & Bates Construction Co. and al v. Baker Energy Resources Corp. and al* (1988) 24 C.P.R. (3d) 66 at 70-72 [*Reading & Bates*], Mr. Justice McNair, in a general six-point review, first defines in points 1 to 3 the parameters that determine whether a question or a document is relevant, and then, in points 4 to 6, sets out a series of circumstances or exceptions in which, on the off chance, at the end of the day, a question need not be answered or a document need not be produced. The Court states:

1. The test as to what documents are required to be produced is simply relevance. The test of relevance is not a matter for the exercise of the discretion. What documents parties are entitled to is

a matter of law, not a matter of discretion. The principle for determining what document properly relates to the matters in issue is that it must be one which might reasonably be supposed to contain information which may directly or indirectly enable the party requiring production to advance his own case or to damage the case of his adversary, or which might fairly lead him to a train of inquiry that could have either of these consequences: *Trigg v. MI Movers International* (1987), 13 C.P.C. (2d) 150 (Ont. H.C.); *Canex Placer Ltd. v. A.-G. B.C.* (1976) 63 D.L.R. (3d) 282 (B.C.S.C.); and *Compagnie Financiere et Commerciale du Pacifique v. Peruvian Guano Co.* (1882), 11 Q.B.D. 55 (C.A.).

2. On an examination for discovery prior to the commencement of a reference that has been directed, the party being examined need only answer questions directed to the actual issues raised by the reference. Conversely, questions relating to information which has already been produced and questions which are too general or ask for an opinion or are outside the scope of the reference need not be answered by a witness: *Algonquin Mercantile Corp. v. Dart Industries Ltd.* (1984), 82 C.P.R. (2d) 36 (F.C.T.D.), *aff'd* (1984), 1 C.P.R. (3d) 242 (F.C.T.D.).

3. The propriety of any question on discovery must be determined on the basis of its relevance to the facts pleaded in the statement of claim as constituting the cause of action [...]

4. The court should not compel answers to questions which, although they might be considered relevant, are not at all likely to advance in any way the questioning party's legal position: *Canex Placer Ltd. v. A.-G. B.C.*, *supra*; and *Smith, Kline & French Laboratories Ltd. v. A.-G. Can.* (1982), 67 C.P.R. (2d) 103 (F.C.T.D.) at p. 108.

5. Before compelling an answer to any question on an examination for discovery, the court must weigh the probability of the usefulness of the answer to the party seeking the information, with the time, trouble, expense and difficulty involved in obtaining it. Where on the one hand both the probative value and the usefulness of the answer to the examining party would appear to be, at the most, minimal and where, on the other hand, obtaining the answer would involve great difficulty and a considerable expenditure of time and effort to the party being examined, the court should not compel an answer. One must look at what is reasonable and fair under the circumstances: *Smith, Kline & French Ltd. v. A.-G. Can.*, *supra*, per Addy J. at p. 109.

6. The ambit of questions on discovery must be restricted to unadmitted allegations of fact in the pleadings, and fishing expeditions by way of a vague, far-reaching or an irrelevant line of questioning are to be discouraged: *Carnation Foods Co. Ltd. v. Amfac Foods Inc.* (1982), 63 C.P.R. (2d) 203 (F.C.A.); and *Beloit Canada Ltee/Ltd. v. Valmet Oy* (1981), 60 C.P.R. (2d) 145 (F.C.T.D.).

[Emphasis added]

[18] In addition, and as I had the occasion to point out in the past, I do not see the list of exceptions in points 2 and 4 to 6 of *Reading & Bates* as intended to be exhaustive.

[19] As I indicated in *Merck & Co. Inc. v. Apotex Inc.*, 2004 FC 1166 at paragraphs 10 to 17:

10. In many situations, the balancing to which the Court refers in *Reading & Bates* in point 5 will be necessary.

11. Indeed, as mentioned in *Faulding Canada Inc. v. Pharmacia S.p.A.* (1999), 3 C.P.R. (4th) 126, at page 128:

[...] the general tendency of the courts to grant broad discovery must be balanced against the tendency, particularly in industrial property cases, of parties to attempt to engage in fishing expeditions which should not be encouraged.

12. Rule 242 of the *Federal Court Rules*, 1998 (the Rules) contains a warning to that effect. Paragraphs 242(1)(b) to (d) of the Rules read:

242.(1) Une personne peut soulever une objection au sujet de toute question posée lors d'un interrogatoire préalable au motif que, selon le cas :

[...]

b) la question ne se rapporte pas à un fait allégué et non admis dans un acte de procédure déposé par la partie

242.(1) A person may object to a question asked in an examination for discovery on the ground that

[...]

(b) the question is not relevant to any unadmitted allegation of fact in a pleading filed by the party

soumise à l'interrogatoire ou par la partie qui l'interroge;	being examined or by the examining party;
c) la question est déraisonnable ou inutile;	(c) the question is unreasonable or unnecessary; or
d) il serait trop onéreux de se renseigner auprès d'une personne visée à la règle 241.	(d) it would be unduly onerous to require the person to make the inquiries referred to in rule 241.

13. The balancing that must be done between, on the one hand, the usefulness of the information and, on the other hand, the trouble and inconvenience involved in obtaining it was noted in particular by Mr. Justice Strayer in *Smith Kline and French Laboratories Ltd. v. Canada (A.G.)* (1984), 1 C.P.R. (3d) 268, at page 271 and *Westinghouse Electric Corp. v. Babcock & Wilcox Industries Ltd.* (1987), 15 C.P.R. (3d) 447.

14. Moreover, in the *Westinghouse* judgment, the Court stated, at page 451:

The associate senior prothonotary refused to order discovery with respect to the items referred to in paras. 19, 20 and 21 of this same exhibit. In each case he regarded the request as too broad and in the context of his decision I understand this to mean that he concluded that the value of such materials as tending to prove or disprove any allegation of fact would be slight in comparison to the problems of production. I fully agree with the principle which he has applied and am unable to see that he was manifestly wrong in its application. Indeed, the defendants in respect of these demands appear to be engaged in a fishing expedition trying to find indications of doubt within the plaintiffs' own organization concerning patentability, doubts which may inspire the defendants but which, as far as I can see, are not logically probative as to the validity of the patent which is a matter for the court to determine by looking at the patent as explained by experts and by consideration of the law. Numerous affirmations within the plaintiffs' files as to the validity of the patent would not be logically probative of its validity, which is a matter of law,

and I am unable to see how expressions of doubt in the same files would be of assistance to the defendants in presenting its case to the court.

[Emphasis added]

15. This passage therefore testifies more particularly that in a patent infringement action in which the defendant is attacking the validity of the patent, the Court has little inclination to force the plaintiff to engage in disproportionate research to support the allegations of invalidity raised by the defendant when, inter alia, the conclusions sought by this defending party pertain primarily to the interpretation that the Court will give to the patent claims in light of its reading of the patent, the state of the applicable law and any expert evidence adduced by the parties, and not in terms of what the plaintiff may have thought or argued in the past as to the validity of the patent.

16. Similarly, Mr. Justice Hugessen, in *Eli Lilly and Co. v. Apotex Inc.* (2000), 8 C.P.R. (4th) 413 (upheld on appeal, at 12 C.P.R. (4th) 127), stated the following at pages 414-15 concerning the relevance of the inventors' knowledge about the obviousness of an invention:

I am not prepared to order the plaintiffs to produce documents relating to the state of knowledge of prior art on the part of the inventors or of the patentees at the time of the issue of the patents in suit. Such knowledge can only be relevant to the pleaded issue of obviousness. The test for obviousness is, in my view, and there is ample authority to this effect, an objective test. The touchstone is the person skilled in the art, whether or not the invention would have been obvious to that person. The actual knowledge of the inventor or inventors is irrelevant.

[Emphasis added]

(See also the decision of the Supreme Court of Canada in *Free World Trust v. Electro Santé Inc.*, [2000] 2 S.C.R. 1024, at page 1061.)

17. On the other hand, a party may not be required, on an examination for discovery, to answer a question that forces it to express an opinion, whether it is an expert opinion, its interpretation of a patent or its beliefs. In *Philips Export B.V. v.*

Windmere Consumer Products Inc. (1986), 8 C.P.R. (3d) 505, it is stated, at page 508:

Question 467, which must be read with Q. 466, asks for the belief of the plaintiff. In both the *Smith, Kline & French* case and in *Sperry Corp. v. John Deere Ltd. and al.* (1984), 82 C.P.R. (2d) 1, it is stated that opinion cannot be asked, as a rule, of a person being examined who is not an expert and that a party cannot be asked to express its position in terms of mental attitudes.

[Emphasis added]

(See also *Rivtow Straits Ltd. c. B.C. Marine Shipbuilders Ltd.*, [1977] 1 F.C. 735, at page 736.)

[20] More recently, in *AstraZeneca Canada Inc. c. Apotex Inc.*, 2008 FC 1301, at paragraphs 6 and 19, Justice Hughes of this Court had this to say; comments which apply forcefully to the situation at hand where under the motion by Gore, and although on the eve of the hearing it cut the outstanding questions by half, the Court is still required to adjudicate over 450 questions spanning over more than 30 categories or sub-categories under Schedule A alone:

[6] ... This type of discovery has become common place and occurs when discovery itself becomes the objective - to uncover as much as possible from the other side however marginally relevant. One is in danger of losing perspective and becoming enmeshed in discovery, which should be only an intermediate process between pleading and trial, rather than focusing on obtaining only matters necessary and relevant for the trial on issues as defined by the pleadings.

[...]

[19] Prothonotaries of this Court are burdened, to a large extent, with motions seeking to compel answers to questions put on discovery. Often hundreds of questions must be considered. Hours and often days are spent on such motions. It appears that in many cases the parties and counsel have lost sight of the real purpose of discovery, which is directed to what a party truly requires for trial.

They should not slip into the “autopsy” form of discovery nor consider discovery to be an end in itself.

[Emphasis added]

[21] The situation here is very much troublesome where parties know that an expedited schedule is in place under which the trial is scheduled to commence on October 3, 2016 by virtue of an order dated November 12, 2014.

[22] No doubt the existing situation is of the type behind the notice to the profession issued on June 24, 2015 by the Chief Justice of this Court. This notice refers to recommendations aimed at bringing increased proportionality in cases such as this one, and calls for strong limits to be put on refusal motions.

[23] With that in mind, including the relevant jurisprudential principles, which comprehend those cited earlier as well as those raised by the parties, and considering that time is somehow of the essence since the parties, under the schedule in place, are to complete the second round of discoveries before October 31, 2015, the Court has taken each completed chart for each motion as found in the respective motion record in response under each motion (entitled by the Court respectively “The Bard Motion Chart”, “The Gore Motion Chart, Schedule A”, and “The Gore Motion Chart, Schedule B”) and has noted with double vertical lines (“||”) in the margin in respect of all or part of the reasoning of one party for each question to be adjudicated, whether or not the question should ultimately be answered or further dealt with in accordance with the representations marked by the double vertical lines added by the Court. The vertical lines in the margin therefore appear in either one of the two last columns for each chart, the whole in respect

solely to the questions the Court understood to still be outstanding at the end of the hearing. In case of any mistakes by the Court in its markings, the position of the Court as reflected in the charts is obviously superseded by any agreement on any specific question reached by the parties prior to the hearing, at the hearing or which could be reached subsequently.

[24] In addition, the Court has decided not to rely, for the purpose of the instant order, on the privilege assertion raised by Bard on the eve of the hearing in a letter dated August 11, 2015 since said position was raised much too late.

[25] Also, the propriety of any question answered under reserve of objection shall be left for the trial judge.

[26] In the result, the Bard's motion, which at the end of the hearing only had 6 questions outstanding out of 72 at the time of filing, is granted in part and, consequently, Gore shall provide to Bard, on or before September 24, 2015, responses in writing to questions ordered answered as per the Bard Motion Chart. To be more precise, only questions 690 and 691 in Category 2 shall be answered by Gore.

[27] In addition, Dr. Michael J. Vonesh shall re-attend on behalf of Gore, by October 31, 2015 pursuant to the scheduling order dated March 9, 2015, at the expense of Gore, to answer proper follow-up questions arising from the answers or documents provided, or those ordered to be provided.

[28] As to costs under said motion, since success is divided and since Bard managed to reduce considerably the number of questions to be adjudicated, no costs are ordered.

[29] As to the Gore's motion, it is denied almost entirely. To be more precise, only the following questions shall be answered by Bard:

Under Schedule A:

- Questions 416, 417 and 423 in category 4 C)
- Questions 1310, 1332, 1333, 1341 and 1349 in category 10 A)
- Questions 991 and 992 in category 12 A)

Under Schedule B:

- Question 744 in category 1 D)
- Question 408 in category 3 B)
- Question 1011 in category 9

[30] Bard shall provide to Gore, on or before September 24, 2015, responses in writing to the aforementioned questions ordered answered.

[31] In addition, Mr. Scott Randall shall re-attend on behalf of Bard, at the expense of Bard, to answer proper follow-up questions arising from the answers or documents provided, or those ordered to be provided, by October 31, 2015 pursuant to the scheduling order dated March 9, 2015.

[32] As to costs under said motion, since Bard is almost entirely successful under it, and since the Court estimates that the magnitude of said motion made it unreasonable and excessive, costs at the top of column IV of the tariff are awarded to Bard.

[33] Considering the length of the charts and considering that they most likely contain confidential information, said charts are deemed to be part of this order but they will be sent to the parties by the Registry by email under separate cover.

“Richard Morneau”

Prothonotary